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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/775,868	02/10/2004	David Lawrence	G08.130/U	1175
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EXAMINER VIZVARY, GERALD C				
ART UNIT		PAPER NUMBER		
3696				
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/775,868

Applicant(s)

LAWRENCE, DAVID

Examiner

GERALD C. VIZVARY

Art Unit

3696

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 24 June 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-17 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-17 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SF/ICE)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Response to Amendment

1. In the action filed 6/24/2008, the following has occurred: Claim 1 has been amended. Claims 18-21 have been cancelled. Claims 2-17 are originally presented. Claims 1-17 are currently pending in this application.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1-8, 10, 11 & 14-16 are rejected under 35 U.S.C. 102(b) as being anticipated by Goldschmidt 6,983,266 B1.

As per claim 1 (Currently Amended), Goldschmidt 6,983,266 B1 discloses a method of facilitating monitoring of a transaction[[s]] for one or more indications of insider trading, the method comprising:

receiving digital information related to one or more financial transactions into a storage of a computer device ("In the first step 100, SNCE and associated data and information is retrieved from the primary monitoring computer system. This information is stored on

a blackboard (typically a database system is used for the blackboard). "Goldschmidt 6,983,266 B1 col. 7, lines 58-62);

creating rules which relate the digital information to insider trading rules in the computer storage ("A specific application of the conceptual model of the CMAD_{cm} multi-agent decision support system of FIG. 1 will now be described for supporting the ASX surveillance CMAD_{cm} analyst team review process. For the sake of brevity, this CMAD_{cm} multi-agent decision support system will be referred to as ALCOD. ALCOD assists the ASX's surveillance analysts' decision making task of classifying a SNCE generated by the primary monitoring system (SOMA)." Goldschmidt 6,983,266 B1 col. 12, lines 20-28);

generating a risk quotient indicative of a quantitative amount of insider trading risk (ITR) associated with the financial transaction ("The retrieved and stored SNCE hypothesis triggers meta-rules to associate heuristic rules with cues appropriate to the SNCE hypothesis. Then, at step 200 the SNCE hypothesis is screened for plausibility utilising quantitative and qualitative evidence. The qualitative evidence is managed using linguistic variables and fuzzy sets to deal with heuristic judgements. The quantitative evidence may be fuzzified or crisp--as a subset of fuzzy. Standard fuzzy operators are used and fuzzy sets can also be used for statistical applications." Goldschmidt 6,983,266 B1 col. 7, line 63-col. 8, line 5);

generating an indication that execution of the financial transaction is in violation of one or more of the insider trading rules ("Where there appears to have been a breach of the law, the matter is reported to the federal government body that administers the

corporations law, namely the Australian Securities Commission (ASC) for further investigation and, if necessary, for legal action.” Goldschmidt 6,983,266 B1 col. 12, lines 47-51); and

providing a report including the generated risk quotient (“Finally, at step 800, ranked and summarised propositions, and evaluation evidence is made available via co-ordination and communication protocols, for retrieval and review by subsequent CMAD evaluating agents, or a final report is produced.” Goldschmidt 6,983,266 B1 col. 8, lines 15-19).

As per claim 2 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 1 wherein the digital information received comprises supporting documentation for the transactions. (“FIG. 2 illustrates in flow chart form a preferred embodiment of the method of supporting a compliance agent in CMAD in accordance with the present invention. In the first step 100, SNCE and associated data and information are retrieved from the primary monitoring computer system.” Goldschmidt 6,983,266 B1 col. 7, lines 57-61)

As per claim 3 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 1 wherein the indication of an amount of risk comprises a normal range of risk and an elevated amount of risk and the method additionally comprising the steps of:
determining a particular legal violation associated with an elevated level of risk
 (“Unusual patterns might be reflected in heavy turnover in a particular stock, or in a

price change much larger than changes in other stock prices observed that day. Once an unusual pattern is detected, if no adequate explanation is found and there appears to have been a breach of the ASX rules, it is reported to the Exchange's companies division (if a listed company is involved), the ASX membership division (if a broker is involved), or the ASX derivatives division (if a derivative security is involved)." Goldschmidt 6,983,266 B1 col. 12, lines 38-46); and generating an action responsive to the particular legal violation. ("Where there appears to have been a breach of the law, the matter is reported to the federal government body that administers the corporations law, namely the Australian Securities Commission (ASC) for further investigation and, if necessary, for legal action." Goldschmidt 6,983,266 B1 col. 12, lines 47-51)

As per claim 4 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 1 wherein the method additionally comprises the step of transmitting an indication to block execution of the one or more financial transactions. ("Once an unusual pattern is detected, if no adequate explanation is found and there appears to have been a breach of the ASX rules, it is reported to the Exchange's companies division (if a listed company is involved), the ASX membership division (if a broker is involved), or the ASX derivatives division (if a derivative security is involved)." Goldschmidt 6,983,266 B1 col. 12, lines 38-46)

As per claim 5 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 1 wherein the method additionally comprises the step of notifying a legal authority involved in enforcing insider trading laws of a potential violation of a law related to the execution of the financial transaction. ("Once an unusual pattern is detected, if no adequate explanation is found and there appears to have been a breach of the ASX rules, it is reported to the Exchange's companies division (if a listed company is involved), the ASX membership division (if a broker is involved), or the ASX derivatives division (if a derivative security is involved)." Goldschmidt 6,983,266 B1 col. 12, lines 38-46)

As per claim 5 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 1, wherein the digital information is received from at least one of: (i) a bank, (ii) a broker dealer, and (iii) a national trading exchange. ("For the sake of brevity, this CMAD_{cm} multi-agent decision support system will be referred to as ALCOD. ALCOD assists the ASX's surveillance analysts' decision making task of classifying a SNCE generated by the primary monitoring system (SOMA)." Goldschmidt 6,983,266 B1 col. 12, lines 23-28)

As per claim 7 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 1 additionally comprising the steps of:
analyzing the stored data for patterns of behavior indicative of insider trading ("Unusual patterns might be reflected in heavy turnover in a particular stock, or in a price change

much larger than changes in other stock prices observed that day." Goldschmidt 6,983,266 B1 col. 12, lines 38-41); and automatically generating a suggested action based upon the data. ("Once an unusual pattern is detected, if no adequate explanation is found and there appears to have been a breach of the ASX rules, it is reported to the Exchange's companies division (if a listed company is involved), the ASX membership division (if a broker is involved), or the ASX derivatives division (if a derivative security is involved)." Goldschmidt 6,983,266 B1 col. 12, lines 41-46)

As per claim 8 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 7 wherein the suggested action comprises conveying an insider trading report to a government entity. ("Where there appears to have been a breach of the law, the matter is reported to the federal government body that administers the corporations law, namely the Australian Securities Commission (ASC) for further investigation and, if necessary, for legal action." Goldschmidt 6,983,266 B1 col. 12, lines 47-51)

As per claim 10 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 7 wherein the suggested action comprises monitoring an associated account for a pattern of activity that may be indicative of a violation of an insider trading law. ("Unusual patterns might be reflected in heavy turnover in a particular stock, or in a price change much larger than changes in other stock prices observed that day. Once an unusual pattern is detected, if no adequate explanation is found and there appears to have been

a breach of the ASX rules, it is reported to the Exchange's companies division (if a listed company is involved), the ASX membership division (if a broker is involved), or the ASX derivatives division (if a derivative security is involved)." Goldschmidt 6,983,266 B1 col. 12, lines 38-46)

As per claim 11 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 7 wherein the suggested action comprises monitoring actions taken by an entity associated with the financial transaction for a pattern of activity that may be indicative of a violation of an insider trading law. ("Unusual patterns might be reflected in heavy turnover in a particular stock, or in a price change much larger than changes in other stock prices observed that day. Once an unusual pattern is detected, if no adequate explanation is found and there appears to have been a breach of the ASX rules, it is reported to the Exchange's companies division (if a listed company is involved), the ASX membership division (if a broker is involved), or the ASX derivatives division (if a derivative security is involved)." Goldschmidt 6,983,266 B1 col. 12, lines 38-46)

As per claim 14 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 7 wherein the suggested action comprises generating an insider trading report comprising details of the financial transaction and transmitting the report to a trading exchange associated with the financial transaction. ("Unusual patterns might be reflected in heavy turnover in a particular stock, or in a price change much larger than changes in other stock prices observed that day. Once an unusual pattern is detected, if no adequate

explanation is found and there appears to have been a breach of the ASX rules, it is reported to the Exchange's companies division (if a listed company is involved), the ASX membership division (if a broker is involved), or the ASX derivatives division (if a derivative security is involved)." Goldschmidt 6,983,266 B1 col. 12, lines 38-46)

As per claim 15 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 14 wherein the insider trading report is transmitted via electronic mail. ("It combines computer-based decision support systems to analyse market events with communication software, text retrieval and graphics." Goldschmidt 6,983,266 B1 col. 2, lines 9-11)

As per claim 16 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 14 additionally comprising the steps of:

storing a record of the date and time of the transmission; and

storing a record of a destination of the transmission. ("The alert record contains details of the alert type, the SNCE transaction, details of the entity under review (the stock)--current and historical, and other related information. Control rules on the blackboard retrieve this hypothesis from the output of SOMA." Goldschmidt 6,983,266 B1 col. 17, lines 49-54)

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 9, 12, 13 & 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Goldschmidt 6,983,266 B1 in view of Mandler 5,723,400.

As per claim 9 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 7. Goldschmidt 6,983,266 B1 fails to explicitly teach that the suggested action comprises initiating a risk management clearinghouse search.

Mandler teaches "The financial clearinghouse further determines a risk-based discount rate as a function of the buyer's risk classification to establish a payment amount to a seller by the clearinghouse. The financial clearinghouse also determines a credit line for each buyer." (Mandler 5,723,400 col. 3, lines 43-47)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include initiating a risk management clearinghouse search as taught by Mandler 5,723,400 in the system of Goldschmidt 6,983,266 B1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

As per claim 12 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 7. Goldschmidt 6,983,266 B1 fails to explicitly teach that the suggested action comprises refusing to perform a requested transaction.

Mandler 5,723,400 teaches "In step S3, the financial clearinghouse 40 determines whether the buyer has an acceptable risk classification. For example, if the buyer 20 has been in business for less than three years, has no credit score report from a recognized credit reporting agency, has a risk classification of 0, has no reported trade references, or has a risk classification of 5 in conjunction with an unsatisfactory payment history rating, then the buyer 20 has an unacceptable risk classification. If one of the above conditions is satisfied, the financial clearinghouse 40 will reject the application in step S4 and inform the broker of the rejection." Mandler 5,723,400 col. 12, lines 10-19)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include refusing to perform a requested transaction as taught by Mandler 5,723,400 in the system of Goldschmidt 6,983,266 B1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

As per claim 13 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 7. Goldschmidt 6,983,266 B1 fails to explicitly teach that the suggested action comprises closing an account associated with the financial transaction.

Mandler 5,723,400 teaches "The financial clearinghouse 40 can instead automatically select buyers 20 with expiring credit limits or risk classifications, automatically review and adjust the values or terminate the buyer's credit." (Mandler 5,723,400 col. 13, lines 3-6)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include closing an account associated with the financial transaction as taught by Mandler 5,723,400 in the system of Goldschmidt 6,983,266 B1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

As per claim 17 (Original) Goldschmidt 6,983,266 B1 discloses a method of claim 1. additionally comprising the step of securing the data comprising the insider trading report with at least one of:

refusing to disclose the data except where such disclosure is requested by an appropriate law enforcement or bank supervisory agency. ("Where there appears to have been a breach of the law, the matter is reported to the federal government body that administers the corporations law, namely the Australian Securities Commission

(ASC) for further investigation and, if necessary, for legal action.” Goldschmidt 6,983,266 B1 col. 12, lines 47-51)

Goldschmidt 6,983,266 B1 fails to explicitly teach:

- (i) encrypting the data,
- (ii) password protecting the data,
- (iii) protecting the data with a biometric access procedure, and

Mandler 5,723,400 teaches “In order to protect the security of communications on the network 5, the communications network 5 can include a security system.” (Mandler 5,723,400 col. 6, lines 63-65) and “For example, the network 5 can support authenticated, encrypted communications between the buyers 20, sellers 10, and financial clearinghouse 40 using known authentication and data encryption systems.” (Mandler 5,723,400 col. 5, line 65-col. 6, line 1)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include data encryption, password protection and biometric security as taught by Mandler 5,723,400 in the system of Goldschmidt 6,983,266 B1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Response to Arguments

6. In the remarks filed on 6/24/2008, Applicant argues that :

(1) Goldschmidt fails to disclose or suggest two claimed aspects of, at least, generating a risk quotient indicative of a quantitative amount of insider trading risk associated with the financial transaction and providing a report including a generated risk quotient.

(2) Claims 9, 12, 13 & 17 are not rendered obvious by Goldschmidt 6,983,266 B1 in view of Mandler 5,723,400.

In response to (1) Examiner respectfully notes that Goldschmidt 6,983,266 B1 explicitly teaches "The retrieved and stored SNCE hypothesis triggers meta-rules to associate heuristic rules with cues appropriate to the SNCE hypothesis. Then, at step 200 the SNCE hypothesis is screened for plausibility utilizing quantitative and qualitative evidence. The qualitative evidence is managed using linguistic variables and fuzzy sets to deal with heuristic judgments. The quantitative evidence may be fuzzified or crisp--as a subset of fuzzy. Standard fuzzy operators are used and fuzzy sets can also be used for statistical applications." (Goldschmidt 6,983,266 B1 col. 7, line 63-col. 8, line 5) Examiner notes that risk quotients or other indicators of an amount of ITR associated with a transaction are an obvious part of qualitative analysis used in screening transactions.

In response to Applicant's argument **(2)**, it should be noted that *KSR* forecloses Applicant's arguments requiring a specific teaching, suggestion or motivation to combine the references since the intended functions of the references have not been changed and the combination would have yielded predictable results.

Conclusion

THIS ACTION IS MADE FINAL. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Gerald C. Vizvary whose telephone number is 571-270-3268. The examiner can normally be reached on Monday thru Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ella Colbert can be reached on 571-272-6741. The fax phone number for the organization where this application or proceeding is assigned is 571-270-4268.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Ella Colbert/
Primary Examiner, Art Unit 3696

Gerald Vizvary
Patent Examiner, A.U. 3696
October 7, 2008